

FREQUENTLY ASKED QUESTIONS (FAQs)

Tax Deduction at Source on BOB Staff Pension for FY 2019-20

1. At which rate TDS on Staff Pension payment will be deducted for FY 2019-20

Ans:- RATE OF INCOME TAX FOR F. Y. 2019-20 (A.Y. 2020-21) IS AS UNDER

(i) For Individuals below the age of 60 years.

Slab	Annual Taxable Income	Income Tax Rate
I	UptoRs. 2,50,000/-	Nil
II	From Rs.2,50,001/- to Rs.5,00,000/-	5% of the amount by which the Taxable Income exceeds Rs.2,50,000/-
III	From Rs.5,00,000/- to Rs.10,00,000/-	Rs.12,500 + 20% of the amount by which the Taxable Income exceeds Rs.5,00,000/-
IV	Above Rs.10,00,000/-	Rs.1,12,500 +30% of the amount by which the Taxable Income exceeds Rs.10,00,000/-

Surcharge @10% for Taxable Income between Rs.50 Lakhs to Rs. 1 cr and 15% for Taxable Income above Rs. 1 cr.

Health and Education cess is 4% of Income Tax

(ii) For Senior Citizen of age 60 years & above but below 80 years (ie.born during April 1, 1940 and March 31, 1960)

Slab	Annual Taxable Income	Income Tax Rate
I	UptoRs. 3,00,000	Nil
II	From Rs.3,00,001/- to Rs.5,00,000/	5% of the amount by which the Taxable Income exceeds Rs3,00,000/-
III	From Rs.5,00,001/- to Rs.10,00,000/-	Rs.10,000/- + 20% of the amount by which the Taxable Income exceeds Rs.5,00,000/-
IV	Above Rs.10,00,000/-	Rs.1,10,000 + 30% of the amount by which the Taxable Income exceeds Rs.10,00,000/-

Surcharge @10% for Taxable Income between Rs.50 Lakhs to Rs. 1 cr and 15% for Taxable Income above Rs. 1 cr.

Health and Education cess is 4% of Income Tax

(iii) **Super Senior Citizen of age 80 years & above (ie.born before April 1, 1940)**

Slab	Annual Taxable Income	Income Tax Rate
I	Upto Rs.5,00,000/-	NIL
II	From Rs.5,00,001/- to Rs.10,00,000/-	20% of the amount by which the Taxable Income exceeds Rs.5,00,000/-
III	Above Rs.10,00,000/-	Rs.1,00,000 + 30% of the amount by which the Taxable Income exceeds Rs.10,00,000/-

Surcharge @10% for Taxable Income between Rs.50 Lakhs to Rs. 1 cr and 15% for Taxable Income above Rs. 1 cr.

Health and Education cess is 4% of Income Tax

A resident individual is entitled for rebate under Sec 87A if Total Income does not exceed Rs.500,000. The amount of rebate shall be 100% of Income-Tax or Rs.12,500, whichever is less.

*Taxable Income arrived at after deduction of Standard Deduction upto maximum of Rs.50,000.

2. Whether tax (TDS) will be deducted every month on monthly pension?

Ans:-Yes.

Tax will be deducted every month from monthly pension on monthly pro-rata basis from FY 2019-20 onward. It will be deducted if estimated gross pension in Financial Year goes above the exemption limit of Income Tax. The net taxable pension will be arrived at after taking into account declaration of eligible investments made & certificates for exemptions, if any, submitted by pensioners every year at pension paying branch in April month of every Financial Year.**While computing TDS on pension, Bank will consider only pension income of the pensioner. NO OTHER INCOME OF THE PENSIONER WILL BE CONSIDERED FOR TDS.**

3. Is it necessary to submit proof of Investments made for availing Tax rebate & when?

Ans:-Yes.

Proof of investments has to be submitted to the Pension paying branch every year as & when fresh investment in current FY is made so that the actual investment made by the pensioner is considered for allowing rebate at the time of calculating his/her final Tax on Pension payment. If no proof of investment is given, no rebate in tax will be allowed.

(Note: Please see last page where the format is given in which investment DECLARATION /PROOF is to be submitted to your pension paying branch.)

4. When to submit the investment proof and to whom?

Ans:- Proof of actual Investment made has to be submitted to the Pension paying branch only as and when fresh investment is made in the current FY. In any case pensioner has to submit Proof of Investment latest by **15th of January 2020**.

5. Till the time of submission of investment proof, how will be the tax liability calculated?

Ans:- For April and May pro-rata tax will be calculated considering either the previous years investment amount or the amount declared by submitting declaration form showing investment to be made in the current F.Y. which is found entered in Payroll System till 25th of any month. Please note that for tax calculation, previous year investment will be considered up to May and thereafter from June to December it will be only on the basis of declaration for current F.Y.

Declaration of Investment to be made, is to be submitted to the Pension paying branch only from the start of first month i.e. April of current FY & also ensure from branch regarding updation of the same in Payroll under Apply menu. It is clarified that TDS will be calculated / deducted on the basis of declaration of Investment that is found available/entered in Payroll system on 25th of any month.

THIS WILL CONTINUE TILL DECEMBER.

Finally, Proof of Investment has to be submitted in Pension Paying branch latest by 15th of January 2020 which the Branch will update in Payroll system as per actual proof of investment given by staff pensioner.

6. Whether submission of investment declaration will suffice for claiming Tax rebate?

Ans:-No.

Investment declaration will be considered till December. Thereafter submission of **investment proof is a mandatory requirement for claiming Tax rebate. Please note that Proof of Investment has to be submitted in Pension Paying branch by 15th of January 2020.**

(SPECIAL ACTION FOR BRANCH: Branch has to ensure that entered declaration is removed from Payroll system in January and investment, supported by Proof, must be entered in Payroll system)

7. Whether it is necessary to submit proof of Investment if the Total annual pension does not cross the exemption limit of income Tax for different age group of Individual?

Ans:-No.

In cases where the total annual pension does not cross the exemption limit of income Tax for different age group of pensioners, they need not submit the investment proof because there will be no deduction of tax by the Bank on their pension income even if they do not make any investment.

8. Whether terminal benefit on cessation / salary arrears etc received by pensioner during the financial year will be considered for Tax calculation on pension?

Ans:-No.

So far tax on BOB Staff pension is concerned; Tax will be calculated only on pension amount paid during a financial year. No other income will be clubbed for calculating tax liability on pension.

9. Can the BOB Staff pensioner request to stop deduction of Tax?

Ans:-No.

It is mandatory for the Bank to deduct tax at source while paying pension to pensioners.

If pensioner declares investment for current F.Y. from April to December of that year and it is to be updated in Payroll by his pension paying branch, then after TDS on his annual pension income will be calculated as per eligibility on pro-rata basis if applicable.

10. Can the BOB Staff pensioner request for deduction of additional Tax?

Ans:-No.

There is no provision to deduct additional tax.

11. Who will issue Form 16 (Part A & Part B) and how the pensioner will get TDS Certificate in Form 16.

Ans:-Form 16 (Part A & Part B) will be uploaded centrally in Payroll system on or before the 31st May and the same can be generated and printed by any Branch. Pensioners whose tax has been deducted or who has come out of tax purview due to investment so made, can approach any branch for generation of Form 16. It will also be sent by email to Pensioners whose email is available in their pension accounts (Every pensioner is requested to get their email updated in their pension SB A/C at pension paying branch).

NOTE : Form 16 will ***not*** be generated for those pensioners whose Gross Taxable pension in the Financial Year is within the exemption limit of tax.

12. In case of Family pensioner, whether the TDS will be applicable.

Ans:-No.

13. If pensioner has paid advance tax and requests the branch/bank not to deduct tax, whether bank will stop deducting tax on pension.

Ans: - No.

It is mandatory for the Bank to deduct tax at source.

14. What should be done in case excess tax is deducted from Pension even after submission of investment proofs?

Ans:- Normally such situation will not arise, however, if excess tax is deducted even after submission of investment proofs, the pensioner may get the refund from Income Tax by filing annual personal return.

15. What will be the point of contact for the Pensioner in case of queries?

Ans: - Although pension paying branch will continue to be the point of contact for pensioners; for any further queries related to TDS on pension payments, pensioners can contact Staff Pension Department, Head office, Baroda Bhawan,Alkapuri, Baroda or can send email to pension.ho@bankofbaroda.com (Tel: 0265-2316620 /40)

***** XXXXXXXXXXXXXXXX *****

Format in which investment proof is to be submitted to your pension paying branch

INVESTMENT MADE PROOF/ DEDUCTION CLAIMED BY BOB PENSIONER FOR AVAILING INCOME TAX REBATE

Name of BOB Pensioner: _____
 EC No. : _____ PPO No: _____ PAN: _____
 FY: _____ (AY: _____)

Address: _____

Mobile No. : _____ Pension SB A/C No.: _____

Head	Amount of Deduction claimed / Amount of Investment
Interest on Housing Loan Accrued During The Year (Max Limit Rs. 2,00,000/-)	
U/S 80E Higher Education (Interest On Loan Which Has Been Served Only)	
80CCD(1b) Self Contribution to NPS before 60 years age (Max Limit Rs.50,000/-)	
Us 80D Medical Insurance (Max Limit Rs. 25000/-)	
Us 80D Med. Insurance For Sr. Citizen (Max Limit Rs.50000/-)	
Us80DD Maintenance of Handicapped Dependent (Severe Disability Rs.1,25,000/- ,Other Rs.75,000/- ,Proof Per Sec)	
Us 80DDB Medical Treatment on Specified Disease (Max Limit =>Sr. Citizen Rs.40000/-) This limit for medical treatment of specified diseases for dependent relative who is a Senior Citizen (60 years and above) is Rs. 100,000/- .	
U/S 80U Self Handicap (Severe Disability 1,25,000/-, Other 75,000/-),Proof Per Sec 10-A Received A)	
Children Education Tuition Fee	
P.P.F.	
Fixed Deposit Under Tax Saving Schemes Only	
Housing Loan Principal	
Life Insurance Premium paid (Prem. < Than 20% of Policy Amt.)	
Other Deduction Under 80-C (Any other Tax Savings scheme)	

Enclosure: Proof of Investment & Certificate as applicable

Date: Signature of Pensioner

_____ For use of Branch / Office _____

Entered by: Name: _____ Sign _____ Date _____